VZCZCXRO4775 PP RUEHDE RUEHPA DE RUEHOS #0068/01 0531346 ZNY CCCCC ZZH P 221346Z FEB 08 FM AMCONSUL LAGOS TO RUEHC/SECSTATE WASHDC PRIORITY 9767 INFO RUEHZK/ECOWAS COLLECTIVE RUEHHH/OPEC COLLECTIVE RUEHUJA/AMEMBASSY ABUJA 9496 RUFOADA/JAC MOLESWORTH AFB UK RUEKJCS/SECDEF WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHDC RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHDC RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 000068

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DOE FOR GPERSON, CAROLYN GAY STATE FOR S. GAIL ROBERTSON

E.O. 12958: DECL: 02/22/2018

TAGS: <u>ASEC ECON PTER PREL PGOV ENRG NI</u> SUBJECT: NIGERIA: CI/KR RESPONSE FOR S/CT

REF: STATE 006461

Classified By: Consul General Donna Blair for reasons 1.4 (B) and (D)

This is a joint ConGen Lagos/Embassy Abuja message.

11. (C/NF) Summary: The only infrastructure/resource in Nigeria which could meet the definition in reftel is oil-related. While the country is a large exporter of crude oil to the United States, the Mission does not believe that Nigeria's oil and oil infrastructure meet the definition of "key" or "critical" as defined in paragraph eight of the reftel. Nigeria's oil is widely dispersed throughout the Niger Delta and offshore. Oil terminals and oil fields are routinely out of service because of attacks by militant and criminal groups with little impact on the United States. Nigeria's ability to protect its oil facilities is demonstrably limited. End Summary.

Oil: Important Not Critical

- 12. (C/NF) Nigeria exports approximately 2.1 million barrels of oil per day (bpd) of which the United States receives 1.2 million bpd, or 10 percent of oil imported into the United States and 2 percent of the world's daily supply. Loss of all oil exports from Nigeria, for what ever reason, would clearly upset international oil and financial markets and could impact the U.S. economy. However, those would be second order effects; the United States has other sources for oil and is not principally dependent on Nigerian supplies. Additionally, the Mission assesses that, short of a remarkable natural disaster or extreme civil unrest, it is unlikely all oil exports from Nigeria could be halted at one time. The onshore oil fields and export terminals are dispersed over tens of thousands of square miles in the swampy Niger Delta region, while offshore fields are generally protected by their location in deep water.
- 13. (C/NF) Oil runs through a web of thousands of wellheads, flow stations, production platforms and miles of pipelines. The biggest "nodes" in the Nigerian oil sector are the twelve export terminals. An attack on a terminal could, depending upon the facility, shut-in up to 250,000 bpd; attacks on pipelines, flowstations, or wellheads would shut-in

significantly less. As such, the loss of any one individual oil terminal would not cause immediate physical or economic harm to the United States. As evidence, in early January 2008, Shell declared force majeure on 100,000 bpd from its Forcados terminal after militants damaged the export pipeline leading from the tank farm to the export buoy 10 miles offshore. Additionally Shell's Sea Eagle terminal has been out of service for more than a year due to threats of militant attack.

14. (C/NF) Nigeria's sole operational liquefied natural gas plant is located on Bonny Island in Rivers State. Although a high profile project in Nigeria, the plant does not supply a significant portion of the United States' natural gas and the plant's loss would not cause immediate physical or economic harm.

Security Forces Not Adequate to Protect Oil Facilities

- 15. (C/NF) Nigeria's security forces have been notably unable or unwilling to stop militant attacks on oil facilities which are widely dispersed and difficult to defend. Government security forces are generally modestly trained, poorly equipped and slow to react to a security event. Nigeria has a Joint Task Force responsible for security in the volatile Niger Delta, but it has so far met with limited success in ending the conflict or preventing attacks on oil installations.
- 16. (C/NF) Nigeria does not have not critical financial or communication infrastructure as defined in reftel. The

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country is not a sole supplier of minerals, resources, or critical finished goods to the United States. $\tt BLAIR$